



## Bay Area Burden: Key Findings

### HOUSING, TRANSPORTATION COSTS & ENVIRONMENTAL IMPACTS

- Bay Area households spend an average of more than \$28,000 annually on housing – about 39 percent of the area median income. Bay Area households spend nearly \$13,400 annually on transportation. Combined, this cost burden of \$41,420 per year represents 59 percent of the median household income in the Bay Area.
- The high combined costs of housing and transportation leave many Bay Area households with insufficient remaining income to comfortably meet their basic needs. This underscores the importance of broadening the understanding of housing affordability to consider the combined costs of housing and transportation, as well as the impacts of longer commutes on the environment and quality of life.
- With average combined costs of housing and transportation consuming over 70 percent of their income, residents of cities such as Berkeley, San Pablo, Richmond and East Palo Alto are left with little income for food, child-care, and other daily necessities.
- One-fourth of all households in the Bay Area live in neighborhoods where housing and transportation costs account for 65 percent or more of income – a level Bay Area Burden defines as an “extreme housing and transportation cost burden.”
- Bay Area households seeking more affordable housing in the outlying parts of Sonoma, Solano, Napa, and Contra Costa counties are burdened with higher transportation costs associated with these low-density, non-transit-accessible neighborhoods. These neighborhoods appear less affordable when the combined costs of housing and transportation are considered.
- Over the next 25 years, the Bay Area is projected to grow by 1.6 million new residents – a 22 percent increase in population. This is an opportunity to integrate land use, housing and transportation policies to encourage new residential development in areas that are well served by public transit or near job centers.
- Bay Area Burden exposes the complexity of the interaction of housing and transportation choices as well as expenditures, and the unintended consequences on the natural environment when they work at cross purposes. The report highlights the importance of “location efficiency” – the proximity of housing to transportation hubs, employment and retail centers – as a driver of both affordability and environmental sustainability.
- By examining the combined costs of housing and transportation, and the impacts of land use decisions on the environment, this analysis presents a more complete measure of the “cost of

place” in the Bay Area. Housing that appears affordable based solely on housing costs may not be truly affordable when it is located far from transit, jobs and/or services.

## **HOUSING COSTS**

- Housing costs in the Bay Area are among the highest in the country, ranking number one in median home value, median monthly costs for homes with mortgages, and median gross rent.
- Despite a relatively high median income of \$72,630 – in comparison to the national median of just over \$50,000 – housing in the Bay Area remains generally unaffordable.
- Approximately 20% of all Bay Area homeowners spend more than half of their income on housing, far exceeding the national average of only 12%.
- Three-fifths of all Bay Area residents live in communities that are unaffordable to households earning less than \$80,000 a year.
- Land use decisions play a critical role in determining the availability of housing that is affordable to Bay Area working families in locations that are near employment centers and housing.

## **TRANSPORTATION COSTS**

- The average Bay Area commuter spends approximately 55 hours a year in traffic congestion alone, a number that will undoubtedly grow without forward-thinking solutions.
- Nearly one in ten Bay Area workers (9.5%) use public transit, compared to 26.5% in the New York Metropolitan area, 11.1% in Washington, DC and 11% in Chicago.
- Transportation costs are highest in the Outer East Bay, North Bay and South Bay. In these regions, the typical household must drive farther and more frequently to reach employment centers and services. Transportation costs in these regions consume an estimated 20 to 22 percent of the monthly income of a median-income household, which can add \$5,000 to \$6,000 to the annual transportation bill.

## **ENVIRONMENTAL IMPACTS**

- The successful implementation of GHG emission reduction plans in the transportation sector is particularly important in the Bay Area, where transportation accounts for 40.6 percent of greenhouse gas emissions, compared to 33 percent nationally.
- Densely developed urban counties like San Francisco are estimated to have substantially fewer vehicle miles traveled per household (19.4) and thus lower per-household carbon dioxide emissions (20.2) than do more rural and suburban counties, where these measures can exceed the Bay Area average by a wide margin.